2025 | Leon Health Plan

Annual Health Equity Analysis of Prior Authorization

Report Year 2024

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Background

In 2024, CMS issued the Final Rule 4205-F, mandating that Medicare Advantage plans conduct an annual health equity analysis. The objective is to ensure that utilization management (UM) and prior authorization policies and procedures do not disproportionately impact specific groups of enrollees. The final rule requires that at least one member of the UM Committee possess expertise in health equity, ensuring that the committee's decisions consider the diverse needs of all enrollees.

The primary goal is to create transparency and identify any disproportionate impacts of UM policies on enrollees who receive the Part D low-income subsidy, are dually eligible for Medicare and Medicaid, or have a disability. The results of the health equity analysis must be documented, published on the plan's website, and reported to CMS. This enables CMS to monitor and ensure that Medicare Advantage and Part D plans are promoting health equity. Based on the findings, the UM Committee can recommend changes to policies and procedures to mitigate any identified disparities.

The analysis will examine the impact of prior authorization at the plan level on enrollees with one or more of the following social risk factors (SRFs): (1) receipt of the low-income subsidy or being dually eligible for Medicare and Medicaid (LIS/DE); or (2) having a disability. Disability status is determined using the variable original reason for entitlement code (OREC) for Medicare, based on information from the Social Security Administration and Railroad Retirement Board record systems. CMS selected these SRFs because they align with the SRFs that will be used to measure the Health Equity Index reward for the 2027 Star Ratings (see § 422.166(f)(3)). Aligning expectations and metrics across the program is crucial. Additionally, CMS requires this analysis at the MA plan level because the relevant information regarding enrollees with the specified SRFs is available at this level. This level of analysis is essential to discern the actual impact of utilization management on enrollees who may be particularly subject to health disparities.

To gain a deeper understanding of the impact of prior authorization practices on enrollees with the specified SRFs, the proposed analysis must compare metrics related to the use of prior authorization for enrollees with the specified SRFs to those without these SRFs. This comparison allows the MA plan and CMS to identify whether the use of prior authorization causes any persistent disparities among enrollees with the specified SRFs. The analysis must use the following metrics, calculated for enrollees with and without the specified SRFs, from the prior contract year:

- The percentage of standard prior authorization requests that were approved, aggregated for all items and services.
- The percentage of standard prior authorization requests that were denied, aggregated for all items and services.
- The percentage of standard prior authorization requests that were approved after appeal, aggregated for all items and services.
- The percentage of prior authorization requests for which the timeframe for review was extended, and the request was approved, aggregated for all items and services.

- The percentage of expedited prior authorization requests that were approved, aggregated for all items and services.
- The percentage of expedited prior authorization requests that were denied, aggregated for all items and services.
- The average and median time that elapsed between the submission of a request and a determination by the MA plan, for standard prior authorizations, aggregated for all items and services.
- The average and median time that elapsed between the submission of a request and a decision by the MA plan for expedited prior authorizations, aggregated for all items and services.

Additionally, CMS added at § 422.137(d)(7) that by July 1, 2025, and annually thereafter, the health equity analysis be posted on the plan's publicly available website in a prominent manner and clearly identified in the footer of the website. The health equity analysis must be easily accessible to the general public, without barriers. This includes ensuring the information is available free of charge, without requiring the establishment of a user account or password, and without the need to submit personal identifying information (PII). The analysis should be provided in a machine-readable format, with the data contained within that file being digitally searchable and downloadable from a link in the footer of the plan's publicly available website. Additionally, a .txt file should be included in the root directory of the website domain, containing a direct link to the machine-readable file, in a format described by CMS (which CMS will provide in guidance), to establish and maintain automated access.

CMS believes that by making this information more easily accessible to automated searches and data pulls, it will help third parties develop tools and researchers conduct studies that further aid the public in understanding the information and capturing it in a meaningful way across MA plans. Leon Health Plan (LHP) performed an analysis and the findings were as follows:

All Members

1. Time of Decisions for Standard Requests
    - Average Time: 7.76 hours
    - Median Time: 0 Days
    - Average Days: 0.33 days
    - Analysis: The average time to make decisions for standard requests is relatively quick, with most decisions being made almost immediately (median time of 0 hours).
2. Time of Decisions for Expedited Requests
    - Average Time: 4.12 hours
    - Median Time: 1 hour
    - Average Days: 0.14 days
    - Analysis: Expedited requests are processed faster than standard requests, with a median time of 1 hour, indicating efficient handling of urgent cases.
3. Approved Expedited Requests
    - Cases: 3,543
    - Total Requests: 3,715
    - Approval Rate: 95.37%
    - Analysis: A high approval rate for expedited requests suggests that most urgent requests are deemed necessary and are approved promptly.
4. Denied Expedited Requests
    - Cases: 165
    - Total Requests: 3,715
    - Denial Rate: 4.44%
    - Analysis: The denial rate for expedited requests is low, indicating that only a small fraction of urgent requests are not approved.
5. Dismissed Expedited Requests
    - Cases: 7
    - Total Requests: 3,715
    - Dismissed Rate: 0%

    - Analysis: The dismissal rate for expedited requests is low, indicating that most urgent requests are approved.
6. Approved Standard Requests
    - Cases: 21,015
    - Total Requests: 21,831
    - Approval Rate: 96.26%
    - Analysis: The approval rate for standard requests is very high, suggesting that the majority of standard requests are considered necessary and are approved.
7. Denied Standard Requests
    - Cases: 813
    - Total Requests: 21,831
    - Denial Rate: 3.72%
    - Analysis: The denial rate for standard requests is low, indicating that most standard requests are approved.
8. Dismissed Standard Requests
    - Cases: 3
    - Total Requests: 21,831
    - Dismissed Rate: 0%
    - Analysis: The dismissal rate for standard requests is low, indicating that most standard requests are approved.
9. Timeframe for Review was Extended
    - Cases: 2
    - Total Authorizations: 25,546
    - Extension Rate: 0%
    - Analysis: The negligible extension rate indicates that reviews are completed within the standard timeframe in almost all cases.
10. Approved Standard Requests After Appeal
    - Cases: 0
    - Total Requests: 21,831
    - Approval Rate After Appeal: 0%
    - Analysis: No standard requests were approved after appeal, suggesting that initial decisions are generally upheld.

Dual Status

1. Time of Decisions for Standard Requests
    - Median Time: 0 Days
    - Average Time: 7.69 hours
    - Median Days: 0 days
    - Average Days: 0.32 days
    - Analysis: Similar to all members, decisions for standard requests are made quickly, with a median time of 0 hours.
2. Time of Decisions for Expedited Requests
    - Median Time: 0.5 hours
    - Average Time: 3.60 hours
    - Median Days: 0 days
    - Average Days: 0.12 days
    - Analysis: Expedited requests are processed very quickly, with a median time of 0.5 hours, indicating efficient handling of urgent cases for dual status members.
3. Approved Expedited Requests
    - Cases: 1,637
    - Total Requests: 1,702
    - Approval Rate: 96.18%
    - Analysis: The high approval rate for expedited requests suggests that most urgent requests for dual status members are approved.
4. Denied Expedited Requests
    - Cases: 64

- Total Requests: 1,702
- Denial Rate: 3.76%
- Analysis: The denial rate for expedited requests is low, indicating that most urgent requests are approved.

5. Dismissed Expedited Requests
   - Cases: 1
   - Total Requests: 1,702
   - Dismissed Rate: 0%
   - Analysis: The dismissal rate for standard requests is low, indicating that most standard requests are approved.
6. Approved Standard Requests
   - Cases: 10,669
   - Total Requests: 10,975
   - Approval Rate: 97.2%
   - Analysis: The approval rate for standard requests is very high, suggesting that the majority of standard requests for dual status members are approved.
7. Denied Standard Requests
   - Cases: 303
   - Total Requests: 10,975
   - Denial Rate: 2.76%
   - Analysis: The denial rate for standard requests is very low, indicating that most standard requests are approved.
8. Dismissed Standard Requests
   - Cases: 3
   - Total Requests: 10,975
   - Dismissed Rate: 0%
   - Analysis: The dismissal rate for standard requests is low, indicating that most standard requests are approved.
9. Timeframe for Review was Extended
   - Cases: 1
   - Total Authorizations: 12,677
   - Extension Rate: 0%
   - Analysis: The negligible extension rate indicates that reviews are completed within the standard timeframe in almost all cases.
10. Approved Standard Requests After Appeal
    - Cases: 0
    - Total Requests: 10,975
    - Approval Rate After Appeal: 0%
    - Analysis: No standard requests were approved after appeal, suggesting that initial decisions are generally upheld.

Disabled Status

1. Time of Decisions for Standard Requests
   - Median Time: 0 Days
   - Average Time: 9.22 hours
   - Median Days: 0 days
   - Average Days: 0.38 days
   - Analysis: Decisions for standard requests take slightly longer on average compared to other groups, but the median time remains 0 hours, indicating quick decision-making for most cases.
2. Time of Decisions for Expedited Requests
   - Median Time: 2.5 hours
   - Average Time: 3.16 hours
   - Median Days: 0 days
   - Average Days: 0.1 days
   - Analysis: Expedited requests are processed efficiently, with a median time of 2.5 hours, indicating prompt handling of urgent cases for disabled members.

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3. Approved Expedited Requests
    - Cases: 444
    - Total Requests: 466
    - Approval Rate: 95.27%
    - Analysis: The high approval rate for expedited requests suggests that most urgent requests for disabled members are approved.
4. Denied Expedited Requests
    - Cases: 22
    - Total Requests: 466
    - Denial Rate: 4.72%
    - Analysis: The denial rate for expedited requests is low, indicating that most urgent requests are approved.
5. Approved Standard Requests
    - Cases: 2,753
    - Total Requests: 2,871
    - Approval Rate: 95.88%
    - Analysis: The approval rate for standard requests is very high, suggesting that the majority of standard requests for disabled members are approved.
6. Denied Standard Requests
    - Cases: 118
    - Total Requests: 2,871
    - Denial Rate: 4.11%
    - Analysis: The denial rate for standard requests is low, indicating that most standard requests are approved.
7. Timeframe for Review was Extended
    - Cases: 1
    - Total Authorizations: 3,337
    - Extension Rate: 0.02%
    - Analysis: The negligible extension rate indicates that reviews are completed within the standard timeframe in almost all cases.
8. Approved Standard Requests After Appeal
    - Cases: 0
    - Total Requests: 2,871
    - Approval Rate After Appeal: 0%
    - Analysis: No standard requests were approved after appeal, suggesting that initial decisions are generally upheld.

Observations

Decision Times for Disabled Members are Slightly Longer

The decision times for disabled members are slightly longer compared to other groups. This could be due to several factors:

Complexity of Cases: Disabled members may have more complex medical conditions that require additional review and consideration, leading to longer decision times.

Additional Documentation: There may be a need for more comprehensive documentation and verification for disabled members, which can extend the review process.

Specialized Care Requirements: Disabled members might require specialized care or services that necessitate a more thorough evaluation to ensure appropriate and effective treatment.

These factors contribute to the slightly longer decision times for disabled members, ensuring that their unique healthcare needs are adequately addressed.

This analysis highlights the efficiency and equity in the utilization management process, ensuring that all members, regardless of their status, receive timely and necessary healthcare services.

Overall

- Across all groups (All Members, Dual Status, Disabled Status), the approval rates for both standard and expedited requests are very high, indicating that most requests are deemed necessary and are approved.
- The denial rates are low across all groups, suggesting that only a small fraction of requests are not approved.
- The time taken to make decisions is generally quick, with expedited requests being processed faster than standard requests.
- The percentage of cases where the timeframe for review was extended is negligible, indicating efficient processing of requests.
- No standard requests were approved after appeal, suggesting that initial decisions are generally upheld.